

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Expedited Application of Pacific Gas and Electric Company (U 39 M) to (1) Issue, Sell and Deliver One or More Series of Its First and Refunding Mortgage Bonds, Debentures, Subordinated Deferrable Interest Debentures, Promissory Notes and/or Other Evidences of Indebtedness in Connection with Domestic or Euro-Market offerings, to Guarantee the Obligations of Others in Respect of the Issuance of Securities and to Arrange For Standby Letters of Credit as Performance Guarantees, the Total Aggregate Principal Amount of Such Issuances and Guarantees Not to Exceed \$2 Billion; (2) Enter into One or More Interest Rate Caps, Collars and Swaps; (3) Issue Variable Rate Debt (Including Fixed Rate Debt Swapped to a Variable Rate) to Finance Balancing Account Undercollections; and (4) Obtain an Exemption from the Competitive Bidding Rule.

Application 00-10-029  
(Filed October 18, 2000)

**ADMINISTRATIVE LAW JUDGE'S RULING REQUIRING  
PACIFIC GAS AND ELECTRIC COMPANY TO AMEND ITS PETITION AND  
SHORTENING THE PERIOD OF TIME TO RESPOND TO THE AMENDMENT**

In order to provide the Commission with an adequate record to decide Pacific Gas and Electric Company's (PG&E's) petition to modify Decision (D.) 01-01-062, D.01-02-050, and D.01-06-074, this ruling requires PG&E to file and serve an amendment to its petition that contains the following information:

1. PG&E states as follows on pages 2 and 3 of its petition: "The accounts receivable security program is an important element in ensuring adequate gas supplies for the core. PG&E's existing gas suppliers rely upon it and want it to continue with the Commission's approval." Please provide any information and documents that support PG&E's assertion that gas suppliers rely on the accounts receivable security program and want it to continue.
2. PG&E states as follows on page 4 of its petition: "Current and potential core gas suppliers are acutely aware of the credit risk associated with selling gas to PG&E." Please provide the following information regarding this statement:
  - a. The information and documents that PG&E relied upon in making this statement.
  - b. Please provide a detailed explanation of the credit risk associated with selling gas to PG&E.
  - c. Does PG&E believe that it will be able to timely pay amounts owed to gas suppliers for future purchases of natural gas? If so, does PG&E believe there is any significant credit risk to suppliers that sell gas to PG&E? If not, please provide a detailed explanation why PG&E believes that it may not be able to timely pay amounts owed to gas suppliers for future purchases of natural gas.
  - d. Does PG&E's status as a debtor in possession under the federal bankruptcy law create a credit risk for suppliers that sell gas to PG&E? If so, please provide a detailed explanation why this is so.
  - e. Please provide a detailed explanation of the criteria that gas suppliers rely upon to determine when it is necessary to require PG&E to provide a security interest in PG&E's gas customer accounts receivable and/or core gas inventory.
3. Does PG&E have any retained generation that relies on natural gas to generate electricity? If so, to what extent has PG&E provided a security interest to gas suppliers for gas sold to PG&E to generate electricity?
4. Assuming that it is necessary to provide some type of assurance to suppliers of natural gas that they will be paid for the gas they supply to PG&E, are there any options for providing such assurance besides

pledging PG&E's gas customer accounts receivable and core inventory (e.g., letters of credit, surety bonds, etc.)? If so, please identify and describe these options. For each option, please explain the pros and cons of the option relative to a pledge of PG&E's accounts receivable and core inventory.

Please file and serve an amendment that contains the above information by February 27, 2002. PG&E should also provide an electronic copy of its amendment in Microsoft Word format to Administrative Law Judge (ALJ) Kenney via e-mail (tim@cpuc.ca.gov). The amendment should include a verification that complies with Rule 2.4 of the Commission's Rules of Practice and Procedure. Pursuant to Rule 2.6(a)(1), parties may file and serve responses to PG&E's amendment no later than March 4, 2002. Any party that files a response should provide an electronic copy of its amendment in Microsoft Word format to ALJ Kenney via e-mail (tim@cpuc.ca.gov).

**IT IS RULED** that:

1. Pacific Gas and Electric Company's (PG&E's) shall file and serve an amendment to its petition to modify Decision (D.) 01-01-062, D.01-02-050, and D.01-06-074 that contains the information specified in the body of this ruling. The amendment must (i) include a verification that complies with Rule 2.4, and (ii) be filed and served no later than February 27, 2002.
2. Parties may file and serve responses to PG&E's amendment no later than March 4, 2002.

3. PG&E's amendment and any responses must be provided to Administrative Law Judge Kenney via e-mail (tim@cpuc.ca.gov) in Microsoft Word format.

Dated February 20, 2002, at San Francisco, California.

/s/ TIMOTHY KENNEY

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Timothy Kenney  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Requiring Pacific Gas and Electric Company to Amend Its Petition and Shortening the Period of Time to Respond to the Amendment on all parties of record in this proceeding or their attorneys of record.

Dated February 20, 2002, at San Francisco, California.

/s/ JACQUELINE GORZUCH

Jacqueline Gorzuch

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.